

REMARKS/ARGUMENTS

This Amendment is in response to the Office Action of September 17, 2008 in which the Examiner (1) rejected claims 22, 24, 25, 30-31, 33-38 under 35 U.S.C. 103(a) as being unpatentable by U.S. Patent No. 6,149,055 ("**Gatto**") in view of U.S. Patent No. 5,650,604 ("**Marcous**"), and (2) rejected claims 26-29 under 35 U.S.C. 103(a) as being unpatentable over **Gatto** in view of **Marcous**, as applied to claims 22, 24-25, and further in view of U.S. Patent No. 5,770,844 ("**Henn**").

By the present Amendment, claims 22 and 37 have been amended.

As explained in the Specification and in various papers filed by Applicant, Applicant's invention is a method and system for issuing prepaid negotiable instruments by a non-banking institution. While many consumers use traditional banking relationships, there are some consumers in financial circumstances that make such relationships impractical or undesirable. This group of consumers is sometimes identified as part of a cash-based society, and they avoid traditional banking relationships because of worry about garnishments, inconvenience, or disrespectful service.

Embodiments of the invention address this problem by establishing an uninsured, prepaid account at a non-banking institution. The use of an uninsured account permits the non-banking institution to provide financial services to cash-based customers without the need for qualifying/approval barriers, high costs, and intricate fee and reporting obstacles that are associated with a traditional banking. The account is able to receive deposits of funds from or on behalf of the account holder. Funds may then be accessed from the account through the issuance of prepaid negotiable instruments.

Deposits are made into the prepaid account using a separate account at a banking institution. Such deposits made to the banking account are then automatically and immediately swept into the prepaid account where they can be accessed by the account holder as prepaid negotiable instruments. This not only permits the account holder to have the advantage of direct deposits (e.g., through the use of ACH transfers), but those funds become immediately available

at the prepaid account where they may be used without the reporting and other restrictions attendant to a traditional banking relationship.

Since the prepaid account is set up at a non-banking institution, it may be an anonymous account (there is no personal information concerning the account holder), and the funds may accessed (through the issuance of prepaid negotiable instruments) without the use of personal information (e.g., the account holder may use a PIN rather than personal information to access the account).

Applicant believes the claims as previously presented were distinguishable from the cited references. However, to advance prosecution, Applicant now includes in independent claim 22 that the deposits to the bank account that are immediately credited to the prepaid (non-banking account) are "for the benefit of the account holder." In addition, Applicant now more clearly recites in claim 22 the purpose and features of the invention (which the Examiner suggested were in the Specification but not in the claims – see page 7 of the Office Action), by stating that the account holder "is a cash-based consumer," and that the funds are deposited into the bank account and then immediately swept into the prepaid account so that the "funds may be accessed by the account holder through the issuance of prepaid negotiable instruments."

None of the cited references disclose or suggest (either alone or as combined) Applicant's invention.

Applicant has previously pointed out the shortcomings of **Gatto**, namely that it merely discloses and suggests a conventional ATM system, and if anything it teaches away from the present invention by disclosing the use of ATMs in a traditional financial environment (and the selection of account transfers or other standard transactions by a user), rather than an arrangement (as implemented by Applicant's novel system and method) where deposits are made to an account at a banking institution and are then automatically "credited" or transferred (i.e., without user selection of the credit or transfer as in **Gatto**) to a prepaid account at a non-banking institution, where the prepaid account is not an FDIC insured account, and where funds are withdrawn only as negotiable instruments.

The Examiner appears to acknowledge the deficiencies in **Gatto**, by now additionally relying on **Marcous**. **Marcous** discloses ATM-to-ATM money transfers where a

sender who has an card account (credit card, debit card, smart card or stored value card) may withdraw money and then have it deposited into a holding account where it can be withdrawn by the recipient (see col. 3, lines 59-63; col. 6, lines 62-67). However, the account from which funds are withdrawn is not an account “maintained for the benefit of the account holder” (the person to whom money is being transferred), and those funds are not “immediately and automatically credited to the prepaid account,” as recited in claim 22. Rather, in **Marcous**, the account belongs to and is for the benefit of the sender (not for a recipient, such as the account holder of the prepaid account in Applicant’s invention), and deposits to the sender’s account are not being immediately credited to a prepaid account (otherwise, the sender would never have any money in his/her credit card, debit card, smart card or stored value card account). The arrangement in **Marcous** teaches away from Applicant’s invention and would not work for the purpose of Applicant’s invention.

Furthermore, neither **Marcous** (nor **Gatto**) have the features or purposes now additionally recited at the end of claim 22, namely that “the prepaid account holder is a cashed-based consumer not having a relationship with a banking institution,” where funds deposited into the bank account are “immediately swept into the prepaid account,” and where the “funds are accessed by the account holder only through the issuance of prepaid negotiable instruments.”

Independent claim 37 recites similar subject matter is distinguishable over the references for the same reasons. Further, the dependent claim all recite limitations in addition to their respective parent claims and are allowable for at least the same reasons as stated above.

Additionally, the Examiner relies on **Henn** in rejecting dependent claims 26-29, by stating that **Henn** discloses an anonymous prepaid account, discloses a database that stores no personal identifying information, and discloses that a server system authorizes issuance of negotiable instruments without requiring identifying information. Applicant respectfully submits that the Examiner has misunderstood **Henn**. Contrary to the Examiner’s characterization, **Henn** only refers to a chip card that does not furnish identifying information for a transaction record during a transaction. This is for the purpose of avoiding misuse of the identifying information (col. 1, lines 52-65). While the transaction record is thus made anonymous, there is no disclosure of the card and its underlying account being anonymous.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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